

8 Sec. 2. Section 48-602, Reissue Revised Statutes of
9 Nebraska, is amended to read:
10 48-602. For purposes of the Employment Security Law,
11 unless the context otherwise requires:
12 (1) Base period shall mean the last four completed
13 calendar quarters immediately preceding the first day of an
14 individual's benefit year, except that the commissioner may
15 prescribe by rule and regulation that base period shall mean the
16 first four of the last five completed calendar quarters immediately
17 preceding the first day of an individual's benefit year;
18 (2) Benefits shall mean the money payments payable to an
19 individual with respect to his or her unemployment;
20 (3) Benefit year, with respect to any individual, shall
21 mean the one-year period beginning with the first day of the first
22 week with respect to which the individual first files a valid claim
23 for benefits, and thereafter the one-year period beginning with the
24 first day of the first week with respect to which the individual
25 next files a valid claim for benefits after the termination of his
26 or her last preceding benefit year. Any claim for benefits made in
27 accordance with section 48-629 shall be deemed to be a valid claim
28 for the purpose of this subdivision if the individual has been paid
29 the wages for insured work required under section 48-627. For the
30 purposes of this subdivision a week with respect to which an
31 individual files a valid claim shall be deemed to be in, within, or
32 during that benefit year which includes the greater part of such
33 week;
34 (4) Calendar quarter shall mean the period of three
35 consecutive calendar months ending on March 31, June 30, September
36 30, or December 31, or the equivalent thereof as the Commissioner
37 of Labor may by rule and regulation prescribe;
38 (5) Client shall mean any individual, partnership,
39 limited liability company, corporation, or other legally recognized
40 entity that contracts with a professional employer organization to
41 obtain professional employer services relating to worksite
42 employees through a professional employer agreement;
43 (6) Combined tax shall mean the employer liability
44 consisting of contributions and ~~commencing January 1, 1996,~~ the
45 state unemployment insurance tax;
46 (7) Combined tax rate shall mean the rate which is
47 applied to wages to determine the combined taxes due;
48 (8) Commissioner shall mean the Commissioner of Labor;
49 (9) Contribution rate shall mean the percentage of the
50 combined tax rate used to determine the contribution portion of the
51 combined tax;
52 (10) Contributions shall mean that portion of the
53 combined tax based upon the contribution rate portion of the
54 combined tax rate which is deposited in the state Unemployment
55 Compensation Fund as required by sections 48-648 and 48-649;
56 (11) Department shall mean the Department of Labor;
57 (12) Employment office shall mean a free public
58 employment office or branch thereof, operated by this state or
59 maintained as a part of a state-controlled system of public
60 employment offices, including public employment offices operated by
61 an agency of a foreign government;
62 (13) Fund shall mean the Unemployment Compensation Fund
63 established by section 48-617 to which all contributions and
64 payments in lieu of contributions required and from which all
65 benefits provided shall be paid;
66 (14) Hospital shall mean an institution which has been
67 licensed, certified, or approved by the Department of Health and
68 Human Services Regulation and Licensure as a hospital;

18 (15) Institution of higher education shall mean an
19 institution which: (a) Admits as regular students only individuals
20 having a certificate of graduation from a high school or the
21 recognized equivalent of such a certificate; (b) is legally
22 authorized in this state to provide a program of education beyond
23 high school; (c) provides an educational program for which it
24 awards a bachelor's degree or higher or provides a program which is
25 acceptable for full credit toward such a degree, a program of
26 postgraduate or postdoctoral studies, or a program of training to
27 prepare students for gainful employment in a recognized occupation;
1 and (d) is a public or other nonprofit institution; notwithstanding
2 any of the foregoing provisions of this subdivision, all colleges
3 and universities in this state are institutions of higher education
4 for purposes of this section;
5 (16) Insured work shall mean employment for employers;
6 (17) Leave of absence shall mean any absence from work:
7 (a) Mutually and voluntarily agreed to by the employer and the
8 employee; (b) mutually and voluntarily agreed to between the
9 employer and the employee's bargaining agent; or (c) to which the
10 employee is entitled to as a matter of state or federal law;
11 (18) Paid vacation leave shall mean a period of time
12 while employed or following separation from employment in which the
13 individual renders no services to the employer but is entitled to
14 receive vacation pay equal to or exceeding his or her base weekly
15 wage;
16 (19) Payments in lieu of contributions shall mean the
17 money payments to the Unemployment Compensation Fund required by
18 sections 48-649, 48-652, 48-660.01, and 48-661;
19 (20) Professional employer agreement shall mean a written
20 professional employer services contract whereby:
21 (a) A professional employer organization agrees to
22 provide payroll services, employee benefit administration, or
23 personnel services for a majority of the employees providing
24 services to the client at a client worksite;
25 (b) The agreement is intended to be ongoing rather than
26 temporary in nature; and
27 (c) Employer responsibilities for worksite employees,
1 including those of hiring, firing, and disciplining, are shared
2 between the professional employer organization and the client by
3 contract. The term professional employer agreement shall not
4 include a contract between a parent corporation, company, or other
5 entity and a wholly owned subsidiary;
6 (21) Professional employer organization shall mean any
7 individual, partnership, limited liability company, corporation, or
8 other legally recognized entity that enters into a professional
9 employer agreement with a client or clients for a majority of a
10 client's workforce at a client worksite. The term professional
11 employer organization shall not include an insurer as defined in
12 section 44-103 or a temporary help firm;
13 (22) State includes, in addition to the states of the
14 United States of America, any dependency of the United States, the
15 Commonwealth of Puerto Rico, the Virgin Islands, and the District
16 of Columbia;
17 (23) State unemployment insurance tax shall mean that
18 portion of the combined tax ~~commencing January 1, 1996,~~ which is
19 based upon the state unemployment insurance tax rate portion of the
20 combined tax rate and which is deposited in the State Unemployment
21 Insurance Trust Fund as required by sections 48-648 and 48-649;
22 (24) State unemployment insurance tax rate shall mean the
23 percentage of the combined tax rate used to determine the state
24 unemployment insurance tax portion of the combined tax;

25 (25) Temporary employee shall mean an employee of a
26 temporary help firm assigned to work for the clients of such
27 temporary help firm;

1 (26) Temporary help firm shall mean a firm that hires its
2 own employees and assigns them to clients to support or supplement
3 the client's work force in work situations such as employee
4 absences, temporary skill shortages, seasonal workloads, and
5 special assignments and projects;

6 (27) Unemployed shall mean an individual during any week
7 in which the individual performs no service and with respect to
8 which no wages are payable to the individual or any week of less
9 than full-time work if the wages payable with respect to such week
10 are less than the individual's weekly benefit amount, but shall not
11 include any individual on a leave of absence or on paid vacation
12 leave. When an agreement between the employer and a bargaining
13 unit representative does not allocate vacation pay allowance or pay
14 in lieu of vacation to a specified period of time during a period
15 of temporary layoff or plant shutdown, the payment by the employer
16 or his or her designated representative will be deemed to be wages
17 as defined in this section in the week or weeks the vacation is
18 actually taken;

19 (28) Unemployment Trust Fund shall mean the trust fund in
20 the Treasury of the United States of America established under
21 section 904 of the federal Social Security Act, 42 U.S.C. 1104, as
22 such section existed on March 2, 2001, which receives credit from
23 the state Unemployment Compensation Fund;

24 (29) Wages, except with respect to services performed in
25 employment as provided in subdivisions (4)(c) and (d) of section
26 48-604, shall mean all remuneration for personal services,
27 including commissions and bonuses, remuneration for personal
1 services paid under a contract of hire, and the cash value of all
2 remunerations in any medium other than cash. The reasonable cash
3 value of remuneration in any medium other than cash shall be
4 estimated and determined in accordance with rules and regulations
5 prescribed by the commissioner. After December 31, 1985, wages
6 shall include tips which are received while performing services
7 which constitute employment and which are included in a written
8 statement furnished to the employer pursuant to section 6053(a) of
9 the Internal Revenue Code as defined in section 49-801.01.

10 With respect to services performed in employment in
11 agricultural labor as is provided in subdivision (4)(c) of section
12 48-604 or in domestic service as is provided in subdivision (4)(d)
13 of section 48-604, wages shall mean cash remuneration for such
14 services. ~~7 except that as used in sections 48-648 and 48-649~~
15 ~~only, the term wages shall not include that part of the~~
16 ~~remuneration which, after remuneration equal to seven thousand~~
17 ~~dollars has been paid to an individual by an employer or by the~~
18 ~~predecessor of such employer with respect to employment within this~~
19 ~~or any other state during any calendar year, is paid to such~~
20 ~~individual by such employer during such calendar year, unless that~~
21 ~~part of the remuneration is subject to a tax under a federal law~~
22 ~~imposing a tax against which credit may be taken for contributions~~
23 ~~required to be paid into a state unemployment fund.~~

24 The term wages shall not include:

25 (a) The amount of any payment, including any amount paid
26 by an employer for insurance or annuities or into a fund to provide
27 for such payment, made to, or on behalf of, an individual in
1 employment or any of his or her dependents under a plan or system
2 established by an employer which makes provision for such
3 individuals generally or for a class or classes of such
4 individuals, including any amount paid by an employer for insurance

5 or annuities or into a fund to provide for any such payment, on
6 account of (i) sickness or accident disability, except, in the case
7 of payments made to an employee or any of his or her dependents,
8 this subdivision (i) shall exclude from wages only payments which
9 are received under a workers' compensation law, (ii) medical and
10 hospitalization expenses in connection with sickness or accident
11 disability, or (iii) death;
12 (b) The payment by an employer, without deduction from
13 the remuneration of the employee, of the tax imposed upon an
14 employee under section 3101 of the Internal Revenue Code as defined
15 in section 49-801.01;
16 (c) Any payment on account of sickness or accident
17 disability, or medical or hospitalization expenses in connection
18 with sickness or accident disability, made by an employer to, or on
19 behalf of, an individual after the expiration of six calendar
20 months following the last calendar month in which such individual
21 worked for such employer;
22 (d) Any payment made to, or on behalf of, an individual
23 or his or her beneficiary (i) from or to a trust described in
24 section 401(a) of the Internal Revenue Code as defined in section
25 49-801.01 which is exempt from tax under section 501(a) of the
26 Internal Revenue Code as defined in section 49-801.01 at the time
27 of such payment unless such payment is made to an employee of the
1 trust as remuneration for services rendered as such employee and
2 not as a beneficiary of the trust or (ii) under or to an annuity
3 plan which, at the time of such payment, meets the requirements of
4 section 401 of the Internal Revenue Code as defined in section
5 49-801.01;
6 (e) Any payment made to, or on behalf of, an employee or
7 his or her beneficiary (i) under a simplified employee pension as
8 defined by the commissioner, (ii) under or to an annuity contract
9 as defined by the commissioner, other than a payment for the
10 purchase of such contract which is made by reason of a salary
11 reduction agreement, whether evidenced by a written instrument or
12 otherwise, (iii) under or to an exempt governmental deferred
13 compensation plan as defined by the commissioner, (iv) to
14 supplement pension benefits under a plan or trust, as defined by
15 the commissioner, to take into account some portion or all of the
16 increase in the cost of living since retirement, but only if such
17 supplemental payments are under a plan which is treated as a
18 welfare plan, or (v) under a cafeteria benefits plan;
19 (f) Remuneration paid in any medium other than cash to an
20 individual for service not in the course of the employer's trade or
21 business; and
22 (g) Benefits paid under a supplemental unemployment
23 benefit plan which satisfies the eight points set forth in Internal
24 Revenue Service Revenue Ruling 56-249 as the ruling existed on
25 March 2, 2001, and is in compliance with the standards set forth in
26 Internal Revenue Service Revenue Rulings 58-128 and 60-330 as the
27 rulings existed on March 2, 2001;
1 (30) Week shall mean such period of seven consecutive
2 days as the commissioner may by rule and regulation prescribe;
3 (31) Week of unemployment with respect to any individual
4 shall mean any week during which he or she performs less than
5 full-time work and the wages payable to him or her with respect to
6 such week are less than his or her weekly benefit amount;
7 (32) Wholly owned subsidiary means a corporation,
8 company, or other entity which has eighty percent or more of its
9 outstanding voting stock or membership owned or controlled,
10 directly or indirectly, by the parent entity; and
11 (33) Worksite employee shall mean a person receiving

12 wages or benefits from a professional employer organization
13 pursuant to the terms of a professional employer agreement for work
14 performed at a client's worksite.

15 Sec. 3. If the state's reserve ratio on September 30,
16 2006, 2007, 2008, or 2009 is less than four-tenths percent, then
17 the commissioner may, with due regard to the solvency of the
18 Unemployment Trust Fund, after notice and public hearing, impose a
19 combined tax emergency solvency surcharge of not more than one
20 percent of taxable wages paid during the four calendar quarters
21 ending on September 30 of the year that the emergency solvency
22 surchage is imposed. The public hearing as to whether an
23 emergency solvency surcharge shall be imposed shall be held not
24 later than December 15 of the year the emergency solvency surcharge
25 is imposed. The provisions of the Administrative Procedure Act
26 shall not apply to decisions made pursuant to this section, but the
27 commissioner shall publish notice of the public hearing in a
1 newspaper of general circulation in the state not less than seven
2 calendar days prior to the public hearing. The commissioner shall
3 calculate the emergency solvency surcharge due from each employer
4 and bill the employer for such amount not later than December 31 of
5 the year in which the emergency solvency surcharge is made. The
6 amount of the emergency solvency surcharge shall not exceed that
7 amount reasonably calculated to be necessary to generate revenue
8 sufficient, when added to regular combined tax payments, to pay
9 unemployment benefits for the year in which the emergency solvency
10 surchage is imposed. Payment of the emergency solvency surcharge
11 shall be due on the last day of the month following billing.
12 Emergency solvency surcharges unpaid on the date on which they are
13 due and payable shall bear interest, at the rate prescribed in
14 section 48-655 for interest upon unpaid combined tax, until
15 payment, plus accrued interest, is received by the commissioner.
16 If any employer defaults in any payment of an emergency solvency
17 surchage or interest, the commissioner may file a lien against
18 such employer in accordance with the Uniform State Tax Lien
19 Registration and Enforcement Act. Such liens shall set forth the
20 amount of the emergency solvency surcharge and interest in default
21 and shall be continued and enforced as provided in the Uniform
22 State Tax Lien Registration and Enforcement Act. Emergency
23 solvency surcharges shall be credited to the pool account and any
24 interest collected thereon shall be deposited in the Employment
25 Security Special Contingent Fund.

9 Sec. 6. As used in sections 48-648 and 48-649 only, the
10 term wages shall not include that part of the remuneration paid to
11 an individual by an employer or by the predecessor of such employer
12 with respect to employment within this or any other state during a
13 calendar year which exceeds (1) seven thousand dollars in calendar
14 year 2005, (2) eight thousand dollars in calendar year 2006, and
15 (3) nine thousand dollars in calendar year 2007 and each calendar
16 year thereafter unless that part of the remuneration is subject to
17 a tax under a federal law imposing a tax against which credit may
18 be taken for contributions required to be paid into a state
19 unemployment fund.

23 Sec. 11. Section 48-649, Reissue Revised Statutes of
24 Nebraska, is amended to read:

25 48-649. The commissioner shall, for each calendar year,
26 determine the combined tax rate applicable to each employer on the
27 basis of his or her actual experience in the payment of
1 contributions and with respect to benefits charged against his or
2 her separate experience account, in accordance with the following
3 requirements:

4 (1) Commencing January 1, 1996, the The commissioner

5 shall, ~~in April or May, for by~~ December 1 of each calendar year,
6 and based upon information available through the department,
7 determine the state unemployment insurance tax rate for the
8 following year. The state unemployment insurance tax rate shall be
9 zero percent if:
10 (a) ~~The minimum reserve ratio for the lowest combined tax~~
11 ~~rate exceeds ten and five-tenths percent for the current year;~~
12 ~~(b)~~ The average balance in the State Unemployment
13 Insurance Trust Fund at the end of any three months in the
14 preceding calendar year is greater than one percent of state
15 taxable wages for the same preceding year;
16 ~~(c)~~ (b) The balance in the State Unemployment Insurance
17 Trust Fund equals or exceeds thirty percent of the average month
18 end balance of the state's account in the Unemployment Trust Fund
19 for the three lowest calendar months in the preceding year; or
20 ~~(d)~~ (c) The state advisory council determines that a zero
21 percent state unemployment insurance tax rate is in the best
22 interests of preserving the integrity of the state's account in the
23 Unemployment Trust Fund;
24 (2) If the state unemployment insurance tax rate is not
25 zero percent as determined in this section, the combined tax rate
26 shall be divided so that eighty percent of the combined tax rate
27 equals the contribution rate and twenty percent of the combined tax
1 rate equals the state unemployment insurance tax rate except for
2 employers who are assigned ~~the a combined tax rate of five and~~
3 ~~four-tenths percent combined tax rate or more.~~ For those
4 employers, the state unemployment insurance tax rate shall equal
5 zero and their combined tax rate shall equal their contribution
6 rate. When the state unemployment insurance tax rate is determined
7 to be zero percent pursuant to subdivision (1) of this section, the
8 contribution rate for all employers shall equal one hundred percent
9 of the combined tax rate;
10 (3) ~~An employer's contribution rate shall be three and~~
11 ~~five-tenths percent of his or her annual payroll and for calendar~~
12 ~~years beginning 1996~~ In calendar year 2005, an employer's combined
13 tax rate shall be three and five-tenths percent of his or her
14 annual payroll unless and until (a) benefits have been payable from
15 and chargeable to his or her experience account throughout the
16 preceding one calendar year and (b) contributions have been payable
17 to the fund and credited to his or her experience account with
18 respect to the two preceding calendar years. Subject to fair and
19 reasonable rules and regulations of the commissioner issued with
20 due regard for the solvency of the fund, in calendar year 2005 the
21 combined tax rate required of each employer who meets the
22 requirements of subdivisions (a) and (b) of this subdivision shall
23 be based directly on his or her contributions to and benefit
24 experience of his or her experience account and shall be determined
25 by the commissioner for each calendar year at its beginning. Such
26 rate shall not be greater than three and five-tenths percent of his
27 or her annual payroll if his or her experience account exhibits a
1 positive balance as of the beginning of such calendar year, but for
2 any employer who has been subject to the payment of contributions
3 for any two preceding calendar years, regardless of whether such
4 years are consecutive, and whose experience account exhibits a
5 negative balance as of the beginning of such calendar year, the
6 rate shall be greater than three and five-tenths percent of his or
7 her annual payroll but not greater than five and four-tenths
8 percent of his or her annual payroll until such time as the
9 experience account exhibits a positive balance, and thereafter the
10 rate shall not be greater than three and five-tenths percent of his
11 or her annual payroll. The For calendar year 2005, the standard

12 rate shall be five and four-tenths percent of the employer's annual
13 payroll. As used in this subdivision, standard rate shall mean the
14 rate from which all reduced rates are calculated;
15 ~~(4)~~ (4)(a) Effective January 1, 2006, an employer's
16 combined tax rate (i) for employers other than employers engaged in
17 the construction industry shall be the lesser of the state's
18 average combined tax rate as determined pursuant to subdivisions
19 (4)(e) and (4)(f) of this section or two and five-tenths percent
20 and (ii) for employers in the construction industry shall be the
21 category twenty rate determined pursuant to subdivisions (4)(e) and
22 (4)(f) of this section, unless and until:
23 (A) Benefits have been payable from and chargeable to his
24 or her experience account throughout the preceding four calendar
25 quarters; and
26 (B) Contributions have been payable to the fund and
27 credited to his or her experience account with respect to each of
the two preceding four calendar quarter periods.
2 For purposes of this subdivision (4)(a), employers
3 engaged in the construction industry shall mean all employers
4 primarily engaged in business activities classified as sector 23
5 business activities under the North American Industrial
6 Classification System.
7 (b) In no event shall the combined tax rate for employers
8 who fail to meet the requirements of subdivision (4)(a) of this
9 section be less than one and twenty-five hundredths percent.
10 (c) For any employer who has been subject to the payment
11 of contributions for any eight preceding calendar quarters,
12 regardless of whether such calendar quarters are consecutive, and
13 whose experience account exhibits a negative balance as of
14 September 30 of the year of rate computation, the rate shall be
15 equal to or greater than the highest combined tax rate for positive
16 experience account balance rated employers on his or her annual
17 payroll but not greater than the standard rate, until such time as
18 the experience account exhibits a positive balance. As used in the
19 rate under this subdivision, standard rate shall mean the rate
20 assigned to category twenty for that year. For calendar years 2006
21 and thereafter, the standard rate shall be not less than five and
22 four-tenths percent of the employer's annual payroll.
23 (d) Beginning with rate calculations for calendar year
24 2006 and each year thereafter, the combined tax rate for employers
25 who meet the requirements of subdivision (4)(a) of this section
26 shall be calculated according to subdivisions (4)(e) and (4)(f) of
27 this section and shall be based upon the employer's experience
1 rating record and determined from the employer's reserve ratio,
2 which is the percent obtained by dividing the amount by which, if
3 any, the employer's contributions credited from the time the
4 employer first or most recently became an employer, whichever date
5 is later, and up to and including September 30 of the year the rate
6 computation is made, plus any part of the employer's contributions
7 due for that year paid on or before October 31 of such year, exceed
8 the employer's benefits charged during the same period, by the
9 employer's average annual taxable payroll for the
10 sixteen-consecutive-calendar-quarter period ending September 30 of
11 the year in which the rate computation is made.
12 (e) Each eligible experience rated employer shall be
13 assigned to one of twenty rate categories with a corresponding
14 experience factor as follows:

Category	Experience Factor
1	0.15
2	0.25
3	0.40

19	<u>4</u>	<u>0.45</u>
20	<u>5</u>	<u>0.50</u>
21	<u>6</u>	<u>0.60</u>
22	<u>7</u>	<u>0.65</u>
23	<u>8</u>	<u>0.70</u>
24	<u>9</u>	<u>0.80</u>
25	<u>10</u>	<u>0.90</u>
26	<u>11</u>	<u>0.95</u>
27	<u>12</u>	<u>1.00</u>
1	<u>13</u>	<u>1.05</u>
2	<u>14</u>	<u>1.10</u>
3	<u>15</u>	<u>1.15</u>
4	<u>16</u>	<u>1.30</u>
5	<u>17</u>	<u>1.50</u>
6	<u>18</u>	<u>1.80</u>
7	<u>19</u>	<u>2.15</u>
8	<u>20</u>	<u>2.60</u>

9 Eligible experience rated employers shall be assigned to
10 rate categories from highest to lowest according to their
11 experience reserve ratio with category one being assigned to
12 accounts with the highest reserve ratios and category twenty being
13 assigned to accounts with the lowest reserve ratios. Each category
14 shall be limited to no more than five percent of the state's total
15 taxable payroll, except that:

16 (i) Any employer which has a portion of its taxable wages
17 fall into one category and a portion into the next higher category
18 shall be assigned to the lower category; and

19 (ii) No employer with a reserve ratio calculated to five
20 decimal places equal to another employer similarly calculated shall
21 be assigned to a higher rate than the employer to which it has the
22 equal reserve ratio.

23 (f) The state's reserve ratio shall be calculated by
24 dividing the amount available to pay benefits in the Unemployment
25 Trust Fund and the State Unemployment Insurance Trust Fund as of
26 the end of the previous year less any outstanding obligations and
27 amounts appropriated therefrom by the state's total wages from the
1 same previous year. The state's reserve ratio shall be applied to
2 the table in this subdivision to determine the yield factor for the
3 years indicated.

4 State's Reserve Ratio	Yield Factor	
5 1.45 percent and above =	0.70	
6 1.30 percent up to but not including 1.45	=	0.75
7 1.15 percent up to but not including 1.30	=	0.80
8 1.00 percent up to but not including 1.15	=	0.90
9 0.85 percent up to but not including 1.00	=	1.00
10 0.70 percent up to but not including 0.85	=	1.10
11 0.60 percent up to but not including 0.70	=	1.20
12 0.50 percent up to but not including 0.60	=	1.25
13 0.45 percent up to but not including 0.50	=	1.30
14 0.40 percent up to but not including 0.45	=	1.35
15 0.35 percent up to but not including 0.40	=	1.40
16 0.30 percent up to but not including 0.35	=	1.45
17 0.30 percent and below =	1.50	

18 Once the yield factor for the upcoming rate year has been
19 determined, it is multiplied by the amount of unemployment benefits
20 paid from combined tax during the four calendar quarters ending
21 September 30 of the preceding year. The resulting figure is the
22 planned yield for the rate year. The planned yield is divided by
23 the total taxable wages for the four calendar quarters ending
24 September 30 of the previous year and carried to three decimal
25 places to create the average combined tax rate for the rate year.

26 (g) The average combined tax rate is assigned to rate
27 category twelve as established in subdivision (4)(e) of this
1 section. Rates for each of the remaining nineteen categories are
2 determined by multiplying the average tax combined rate by the
3 experience factor associated with each category. Employers who are
4 delinquent in filing their combined tax reports as of the date of
5 rate computation shall be assigned to category twenty;
6 (5) Any employer may at any time make voluntary
7 contributions up to the amount necessary to qualify for one rate
8 category reduction, additional to the required contributions, to
9 the fund to be credited to his or her account. Voluntary
10 contributions received after March 10, 2005, for rate year 2005 or
11 January 10 for rate year 2006 and thereafter of any year shall not
12 be used in rate calculations for the same calendar year;
13 ~~(5)~~ (6) As used in sections 48-648 to 48-654, the term
14 payroll shall mean the total amount of wages during a calendar
15 year, except as otherwise provided in section 48-654, by which the
16 combined tax was measured; and
17 ~~(6)(a)~~ (7)(a) The state or any of its instrumentalities
18 shall make payments in lieu of contributions in an amount equal to
19 the full amount of regular benefits plus one-half of the amount of
20 extended benefits paid during each calendar quarter that is
21 attributable to service in employment of the state or any of its
22 instrumentalities. The commissioner after the end of each calendar
23 quarter shall notify any state instrumentality or other public
24 employer of the amount of regular benefits and one-half the amount
25 of extended benefits paid that are attributable to service in its
26 employment and the instrumentality or public employer so notified
27 shall reimburse the fund within thirty days after receipt of such
1 notice; (b) after December 31, 1977, the state or any of its
2 political subdivisions and any instrumentality of one or more of
3 the foregoing or any other governmental entity for which services
4 in employment as is provided by subdivision (4)(a) of section
5 48-604 are performed shall be required to pay contributions and
6 after December 31, 1996, combined tax on wages paid for services
7 rendered in its or their employment on the same basis as any other
8 employer who is liable for the payment of combined tax under the
9 Employment Security Law, unless the state or any political
10 subdivision thereof and any instrumentality of one or more of the
11 foregoing or any other governmental entity for which such services
12 are performed files with the commissioner its written election not
13 later than January 31, 1978, or if such employer becomes subject to
14 this section after January 1, 1978, not later than thirty days
15 after such subjectivity begins, to become liable to make payments
16 in lieu of contributions in an amount equal to the full amount of
17 regular benefits plus one-half of the amount of extended benefits
18 paid during each calendar quarter that is attributable to service
19 in employment of such electing employer prior to December 31, 1978,
20 and in an amount equal to the full amount of regular benefits plus
21 the full amount of extended benefits paid during each calendar
22 quarter that is attributable to service in employment of such
23 electing employer after January 1, 1979. Eligible employers
24 electing to make payments in lieu of contributions shall not be
25 liable for state unemployment insurance tax payments. The
26 commissioner, after the end of each calendar quarter, shall notify
27 any such employer that has so elected of the amount of benefits for
1 which it is liable to pay pursuant to its election that have been
2 paid that are attributable to service in its employment and the
3 employer so notified shall reimburse the fund within thirty days
4 after receipt of such notice; and (c) any employer which makes an
5 election in accordance with subdivision (b) of this subdivision to

6 become liable for payments in lieu of contributions shall continue
7 to be liable for payments in lieu of contributions for all benefits
8 paid based upon wages paid for service in employment of such
9 employer while such election is effective and such election shall
10 continue until such employer files with the commissioner, not later
11 than December 1 of any calendar year, a written notice terminating
12 its election as of December 31 of that year and thereafter such
13 employer shall again be liable for the payment of contributions and
14 for the reimbursement of such benefits as may be paid based upon
15 wages paid for services in employment of such employer while such
16 election was effective.